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19 October 1962

CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

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CURRENT INTELLIGENCE WEEKLY SUMMARY

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THE WEEK IN BRIEF
(Information as of 1200 EDT 18 Oct)

SOVIET FOREIGN POLICY DEVELOPMENTS Page 1

Moscow took further steps last week to prepare the way for talks between Khrushchev and President Kennedy. In a long interview on 16 October with the new US ambassador, Khrushchev reportedly stressed his desire to negotiate a Berlin settlement. Moscow also took the initiative in arranging Gromyko's talk on 18 October with President Kennedy. The Soviet press, meanwhile, has deplored recent statements by US leaders regarding the possibility of a new Berlin crisis after the US elections.

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ALBANIAN REACTION TO SOVIET-YUGOSLAV RAPPROCHEMENT Page 3

Albania's first official comment on the recent Brezhnev trip to Yugoslavia condemns Khrushchev for a "great betrayal" of Marxism-Leninism. It warns that the Soviet bloc rapprochement with Yugoslavia could split international Communism into competing ideological groups. Since Albania is too weak to organize a rival movement, its more immediate aim is probably to foster factionalism in the Communist world, particularly in Eastern Europe.

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SOVIET CROP PROSPECTS Page 4

Crop and livestock production in 1962--the mid-point of the USSR's Seven-Year Plan--will once again be well below plan. Khrushchev's insistence on use of fallow land was in large part responsible for a 5-percent increase in the sown area, but poor weather in many important agricultural areas has reduced yields.

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COMMUNIST CHINA'S GRAIN IMPORTS AND FOREIGN EXCHANGE POSITION Page 5

Peiping's recent agreement to buy 680,000 tons of wheat from Australia brings total grain contracts signed with the West since late 1960 to over 11 million tons, with a value of over \$700 million. China is meeting its payment obligations for this grain, and thus far the foreign exchange problem has not been unmanageable. Although Peiping has expressed hopes for a "slightly better" harvest this year, all indications point to a continuing need for grain imports.

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SINO-INDIAN BORDER CLASHES INTENSIFY Page 6

Military activities along the Indian-Chinese border have been further stepped up, with clashes occurring recently between forces of battalion size. Although the political and military moves by each side contain large elements of bluff, both New Delhi and Peiping have committed their prestige so far that only severe winter weather will force a suspension of military operations.

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PAKISTANI OPPOSITION UNITING AGAINST AYUB Page 8

The opposition of old-line politicians to President Ayub has become increasingly effective since most restrictions on political activity were relaxed last spring. Under the leadership of former Prime Minister Suhrawardy, they are attracting substantial popular support. Ayub will probably try to avoid countermeasures which would discredit his experiment with limited constitutional rule.

[REDACTED]

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CONGO DEVELOPMENTS Page 11

Despite Tshombé's steps to implement part of the UN reconciliation plan, Adoula precipitated a new crisis on 17 October by publicly repudiating the cease-fire and the financial arrangements his representatives had signed in Elisabethville. Another dispute is almost certain to develop over the UN-drafted constitution which Adoula presented to the provincial presidents on 16 October. Adoula's repudiation of the Elisabethville accords will cause Tshombé to hold up on any further moves on implementing the UN plan.

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THE EEC AND AFRICA Page 12

Ministers of the six Common Market countries and of 18 associated African states are meeting in Brussels on 23 and 24 October to resume discussion of an EEC-African association convention. They are attempting to meet the deadline imposed by the expiration this year of the present convention, and a broad area of understanding has already been reached. Nevertheless, several knotty problems remain, and there now are two new ones--what Algeria's relationship with the EEC should be, and the implications of the decision by the African Commonwealth members to reject prospective association with the Common Market.

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ITALIAN POLITICAL SITUATION Page 15

Premier Fanfani's center-left government is making steady progress toward implementing its program of economic and administrative reform. Its success is in part due to the support it is receiving from its Socialist allies in Parliament, a development which is also significantly reducing the parliamentary influence of the Communists. The coalition parties hope to maintain this momentum so as to be able to make gains in the national elections planned for next spring. However, the reform program still faces numerous obstacles, and the government parties are already bickering among themselves in an attempt to bolster their own chances in the elections.

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PORTUGAL AND THE UN Page 16

In the forthcoming UN General Assembly debate on Angola, Portugal's African policy is likely to face the most bitter attack yet by the Afro-Asian bloc. If the Portuguese do not receive from their NATO allies the support to which they feel entitled, Lisbon may again consider withdrawing from the world organization.

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CUBAN DEVELOPMENTS Page 17

Soviet military shipments are continuing. There is no evidence that Cubans have begun training in the operation of missile installations being set up in Cuba, but training is under way on other Soviet equipment supplied. Meanwhile, the USSR continues to show concern over efforts to restrict shipping being used to carry nonmilitary goods to Cuba.

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CONFERENCE ON BRITISH GUIANA'S INDEPENDENCE Page 18

The conference on independence for British Guiana--originally set for last May but postponed because of the February riots--is to open in London on 23 October. Britain is not likely to set an independence date until some agreement is reached on the electoral provisions of the colony's future constitution. Premier Jagan's Communist-oriented party and the main opposition party give the appearance of being sharply at odds on this issue, and the conference may reach an early deadlock.

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ELECTIONS IN ARGENTINA SET FOR NEXT SPRING Page 19

The Guido government's intention to hold elections sometime between March and June 1963 will probably cause concern among hard-line military elements. However, an

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immediate revival of the military struggle for power is not expected; the hard-liners do not seem to have the necessary support at the present time. Nevertheless, factionalism among the "legalists" continues, and may increase as Peronists intensify their political activity. [redacted]

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THE BRAZILIAN ELECTIONS Page 20

Partial returns from the elections of 7 October indicate that extreme leftists have made slight gains while the majority of positions in congress and in the states remain in the hands of moderates and conservatives. In the gubernatorial races, conservatives have won Sao Paulo and Rio Grande do Sul, extreme leftists have won Rio de Janeiro State and the vice governorship in Guanabara, and the outcome for pro-Communist Miguel Arraes in the key northeastern state of Pernambuco remains in doubt. Extreme leftists have somewhat increased the small number of seats they hold in the Senate; most votes for the lower house have not yet been counted. [redacted]

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VENEZUELAN GOVERNMENT PLANS TO OUTLAW COMMUNIST PARTY . . Page 21

President Betancourt on 15 October announced the government's plan to arrest extremist congressmen and eliminate leftist groups responsible for the persistent terrorism in Venezuela. Betancourt stated that the minister of justice had petitioned the Supreme Court to outlaw the Communist Party and the Movement of the Revolutionary Left (MIR), and that Communist and MIR congressmen would be prosecuted for "civil rebellion." The armed forces and the major labor confederation are expected to support the government plan, but opposition groups will probably attempt to obstruct its execution. [redacted]

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SPECIAL ARTICLES

THE KHRUSHCHEV SUCCESSION Page 1

The Soviet system contains no built-in machinery for ensuring the transfer of power. When Khrushchev leaves the scene, an interregnum "collective leadership" will probably provide a facade of unity behind which his lieutenants will fight for power. There are no guarantees that Frol Kozlov--Khrushchev's present successor-designate--will emerge victorious from such a struggle. Some adjustments in policy and administrative structure will certainly result from the succession, but the new leadership will probably adhere in general to the Khrushchev line. [redacted]

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LAND REFORM IN IRAN Page 10

The Iranian Government's program of breaking up the estates of large landowners and distributing them to peasants has been under way since last March. It aims to increase agricultural productivity by introducing modern farming methods and by providing the peasants with the incentive of ownership. If fully implemented, the program also will bring revolutionary changes to Iranian rural society. Peasant impatience with the slow pace of reform could upset the regime's orderly timetable.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**WEEKLY REVIEW**SOVIET FOREIGN POLICY DEVELOPMENTS**

Moscow took further steps last week to prepare the way for talks between Khrushchev and President Kennedy. Khrushchev had a three-hour interview with Ambassador Kohler on 16 October in which he reportedly stressed his desire to negotiate a Berlin settlement. Moscow announced that the talk took place in an atmosphere of "frankness and mutual understanding."

The USSR also took the initiative in requesting Gromyko's 18 October talk with President Kennedy. Gromyko used his press conference at the UN on 13 October to emphasize Moscow's commitment to peaceful coexistence and the settlement of disputes through negotiations. He implied that now it is up to the Western powers to make new proposals for a Berlin solution and called on Western authorities to take measures to prevent "provocations" at the Berlin wall. Gromyko repeated the usual warning that a German peace treaty cannot be postponed indefinitely. He again called for the withdrawal of NATO forces from West Berlin and rejected any suggestion that West German troops might be stationed in the city.

At his UN press conference, Gromyko denounced the alleged "campaign of war psychosis" being waged in the US and other NATO countries. The Soviet press has deplored recent statements by US leaders regarding the possibility of a new Berlin crisis

after the US elections. Izvestia charged that President Kennedy himself has encouraged "war hysteria" in the US to prevent a reasonable solution of the German problem. Moscow has also professed concern that Chancellor Adenauer's visit to the US next month will increase US opposition to a Berlin settlement.

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A visiting Rumanian delegation won Indonesia's endorsement of the bloc's position on a German peace treaty and the creation of a "free, neutral, demilitarized" West Berlin.

UN Affairs

Soviet leaders have apparently decided not to oppose U Thant if he decides to

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run for the office of UN Secretary General. Gromyko told the press on 13 October that he did not wish to cast "a single aspersion" on Thant, "whose qualifications in this task were never a matter of doubt to us."

However, Gromyko evaded a direct response to a question concerning Moscow's position on Thant's possible candidacy for a full five-year term. He recalled Khrushchev's statements on the UN Secretariat at the 1960 General Assembly and went on to say that "sooner or later" the question of the structure of the Secretariat will have to be solved "radically." He did not specifically note the Soviet premier's demand that the position of secretary general be filled by a three-man executive organ.

Nuclear Test Ban

Soviet officials during the past week firmly reiterated Moscow's intransigent position on a nuclear test ban. Gromyko stressed to the press that an agreement must include underground explosions as well as tests in all other environments.

At the UN Political Committee's initial session on a

test ban, Soviet delegate Zorin emphasized that national detection means are sufficient to police an agreement. He repeated the Soviet Government's endorsement of the eight-power "compromise" memorandum and claimed that the US viewed the memorandum as a "senseless" proposal.

In Geneva, the Soviet delegate to the test-ban subcommittee continued his abusive assault on US and British positions. He accused the Western delegates of pursuing "ultimatum" tactics.

A high-ranking Soviet UN delegate on 11 October defensively protested a US delegate's attack on Moscow's refusal to produce scientific evidence to support the claim that all underground tests can be identified by existing national means. He contended that the disclosure of such information would prejudice Soviet security. When questioned about the relationship between seismology and security, the Soviet official said that other detection means --such as satellites--may also be employed. He added that satellites had already proved capable of detecting iron ore deposits, citing "Soviet publications" for this information. 25X1

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ALBANIAN REACTION TO SOVIET-YUGOSLAV RAPPROCHEMENT**

There is clearly deepening concern in the Albanian leadership over the implications for Albania posed by the Soviet-Yugoslav rapprochement. Albanian Premier Hoxha is aware that this step symbolizes Albania's complete separation from Moscow, and he may suspect that Moscow and Belgrade have concluded or will soon reach an accord on a common line of action against Albania.

In its first official commentary on the 24 September - 4 October visit to Yugoslavia of Soviet president Brezhnev--a commentary characterized by bitter desperation--the Hoxha regime staked out its claim to Communist orthodoxy by accusing Khrushchev of a "great betrayal" of Marxism-Leninism in his policy of rapprochement with Tito. The 13 October article in Albania's official newspaper, Zeri i Popullit, hinted that the policy of rapprochement with Yugoslavia could lead to a split in the international Communist movement and in effect called on other Communists to join Albania in its opposition to Khrushchev's policies.

Claiming that the mass of Communists and the revisionists cannot live together for long in the same party or in the international movement, the article asserted that "as soon as possible," Communists and even their leaders who have so far supported Khrushchev must find "the energy and courage" to "detach themselves from the revisionists." The article compared the present situation with the struggles of Lenin and Stalin against the revisionists and opportunists of their day. "We know very well," it said, "it was only by definitely eliminating the Mensheviks in 1912 that a real unity was established."

The Albanians have not hesitated to attack Khrushchev by name, and they appear to be urging the Chinese to abandon their subterfuge of using Tito as a "whipping boy" when their actual target is the Soviet

leader. The article noted that Yugoslav revisionism had been "greatly discredited" but that Khrushchev's "common front" with Tito has "not been completely unmasked," and that the time has come to do this.

Albania undoubtedly realizes that no communist party would be prepared to join it in a grouping formally independent of Moscow. It may believe, however, that there are a number of parties which would support Peiping if the Chinese Communists took the lead in forming an opposition "international." While there is no indication that Peiping now intends to take such a radical step, Tirana may have been encouraged to hint at the possibility because of the occasional allusions in the Chinese press to Lenin's struggle against revisionists of his day. Last February, for example, Red Flag, the Chinese Communist theoretical journal, pointed out that Lenin had had to unite with "revolutionary Marxists of various countries" in opposing the revisionists of the Second International.

The more immediate purpose of Tirana's attack is probably to foster factionalism in the Communist world, particularly in the East European parties. Four of them--the Bulgarian, Hungarian, Czech, and East German--are to hold party congresses between November and January. Tirana is probably aware that all, except possibly the Hungarian, harbor important elements which disapprove in varying degrees of certain of Khrushchev's internal and foreign policies. The European satellites have not uniformly followed Moscow's policies toward Albania. Not all have withdrawn their ambassadors from Tirana, and Poland and Bulgaria have renegotiated 1962 trade agreements with Albania. The Hoxha regime may believe that deeper and more significant differences between Moscow and the satellites lie below the surface.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOVIET CROP PROSPECTS**

Agricultural production in 1962--the midpoint of the USSR's Seven-Year Plan--will again disappoint Soviet leaders. Khrushchev's insistence on use of fallow lands for crops was in large part responsible for a 5-percent increase in the sown area--from 506 million acres in 1961 to 534 million acres this year. However, poor weather in many important agricultural areas has reduced yields, and crop and livestock production will be well below plan.

The northern half of the European USSR was abnormally cool and wet in 1962, the southern half warm and dry. Drought prevailed in most of the important grain-producing areas of the New Lands. Only in the Volga valley, some adjacent regions, and in the central black-soil zone have conditions for crop development been average or above.

Khrushchev stated in late September that grain production in 1962 would be greater than in 1961. This seems unlikely, although the mediocre 1961 harvest was estimated at only 115 million metric tons (the official claim was 137 million tons). Ten percent more land was sown to small grain this year, but bad weather hampered growth and harvesting operations. Corn acreage, too, was greatly expanded, but the crop has suffered from drought in the Ukraine and North Caucasus and cool wet weather in areas to the north. Production of potatoes and vegetables will probably be somewhat below normal because of weather conditions and a slightly reduced acreage.

The production of cotton will probably be no greater than the mediocre crop of 1961. An unusually cold, wet spring in Central Asia retarded early development, and some areas had to be replanted because of damage by wind and hail.

Khrushchev's recent tour of the principal cotton-growing areas indicates official concern. A record crop was harvested in 1959, but otherwise annual cotton production has not risen much since 1956.

Significant increases in the number of livestock may permit an increase of about 5-7 percent in production of meat and milk. An additional factor is the incentive offered producers in the form of higher state prices for such products. A significant improvement in the Soviet diet, however, is unlikely. Production of meat and milk will fall far short of the 12.9 million and 85 million metric tons, respectively, cited by Khrushchev at the March plenum as necessary "to meet requirements more fully" in 1962.

As of 1 September procurement of feed crops was lagging behind the 1961 pace. However, the harvest of corn and sugar beets, which will weigh heavily in the feed balance, had just begun.

The corn crop probably will be no better than last year. The beet crop sown expressly for feed may be significantly larger because acreage devoted to this crop was approximately doubled. However, acreage devoted to beets for processing by the sugar industry was increased only slightly, and poor weather conditions in some important producing areas will probably prevent any significant increase in this crop.

The replacement at Khrushchev's behest of grasses with cultivated crops--corn, sugar beets, peas, and fodder beans--may have boomeranged to some extent. The cool, wet conditions in the northern part of European USSR not only retarded development of these crops but also impeded cultivation and harvesting operations.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****COMMUNIST CHINA'S GRAIN IMPORTS AND FOREIGN EXCHANGE POSITION**

Peiping's recent agreement to buy 680,000 tons of wheat from Australia brings purchases in 1962 from that country to 1.4 million tons and from the West as a whole to 5.3 million tons. Since it began large-scale purchases of Western grain in December 1960, China has agreed to buy over 11 million tons for domestic consumption at a cost of about \$700 million. Although Peiping has expressed hopes of a "slightly better" harvest this year, all indications point to a continuing need for grain imports.

China continues to meet its payment obligations on time. While the unprecedented import of emergency food supplies in the first half of 1961 created a serious drain on China's foreign exchange reserves, the Chinese managed by 1962 not only to stem the depletion of their foreign currency holdings but to replenish the losses of the first half of 1961. This was achieved by (1) sharply reducing nonfood imports; (2) obtaining substantial short-term credits from Western grain supplies; (3) expanding exports to the West; and (4) selling silver.

By the second half of 1961, China had slashed nongrain imports by 60 percent relative to the first half of 1960. In addition, it had obtained Western credits for grain imports amounting to \$120 million, with re-

payment scheduled largely for nine months to a year. Exports of silver rose from \$17 million in the first half of 1961 to \$40 million in the second half. Although three successive years of poor crops severely reduced China's export capabilities, considerable efforts were made to expand nonfood exports to the West.

By these measures, Peiping achieved stability in its international reserves during 1961 and will probably be able to maintain it through 1962. Next year, however, when short-term credits come due, further trade adjustments will be necessary. Otherwise China's slim reserves of gold and convertible currencies could be quickly exhausted. Too little is known about China's silver output and holdings to permit an estimate on whether last year's heavy sales can be repeated.

There are indications that the Chinese are considering the long-run possibilities of continuing to import Western wheat in order to free domestically produced rice for export.

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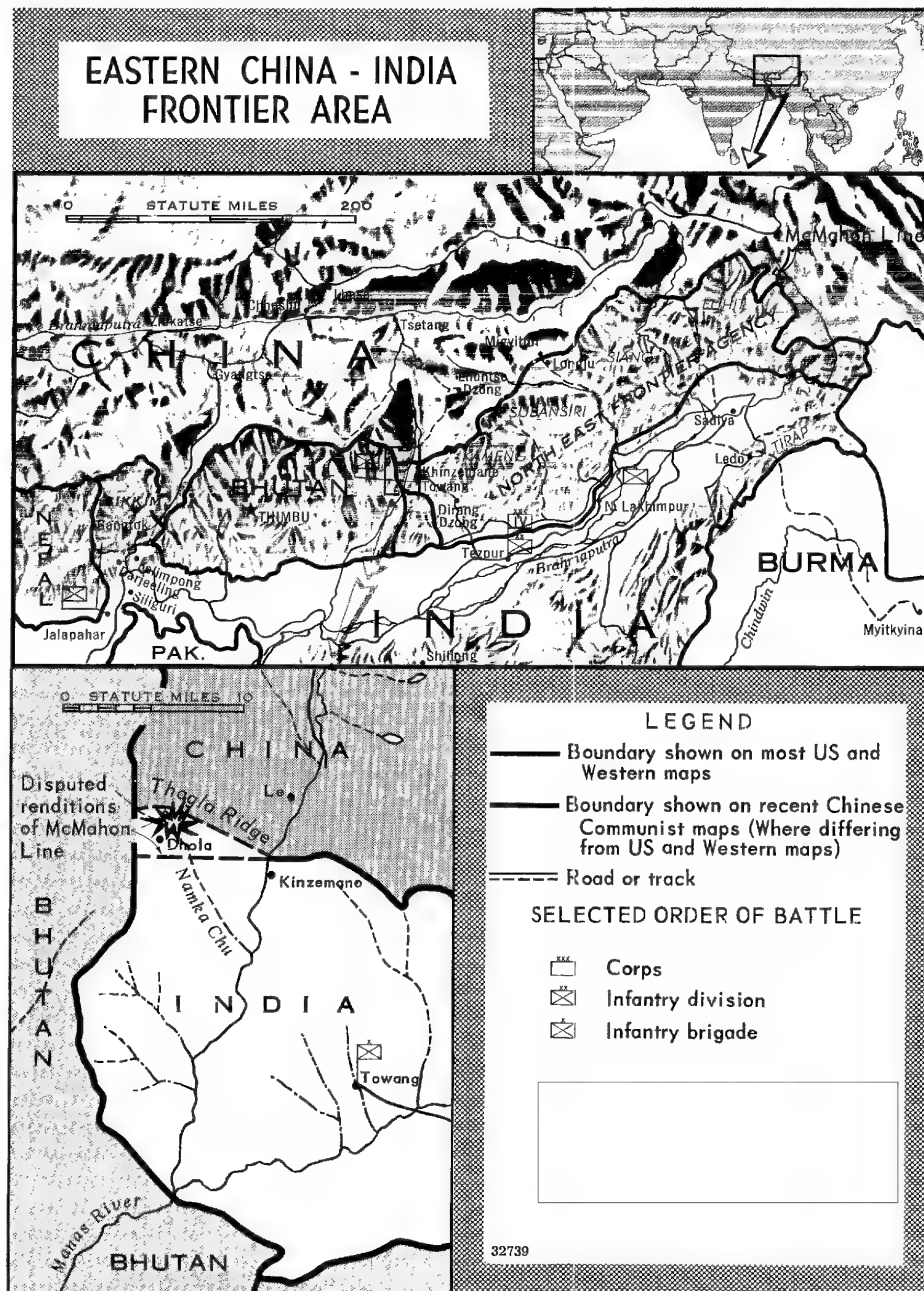
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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SINO-INDIAN BORDER CLASHES INTENSIFY**

The struggle between India and Communist China along the Himalayas is now in its fifth year. Military activity is greater than ever, with clashes between forces of battalion size. The military activities still

take second place, however, to political moves. Each seeks to impress the other with the seriousness of its resolve, assuming that the other side cannot afford a war and is therefore bluffing.

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Indian leaders have loudly reaffirmed that India will dislodge the Chinese from positions "illegally" occupied early in September on what India regards as its side of the McMahon Line. The realignment of the Indian Army's command structure in the northeast area, the huddles of Indian generals in New Delhi and in the northeast, and Nehru's "go ahead" to the military to push the Chinese out have all been highly publicized. Lest this publicity alarm the Indian public, however, Nehru has also stressed the long-term nature of the struggle, expressed great confidence in the army, and carried on with planned trips to Nigeria, the UAR, and Ceylon.

The Chinese, for their part, are taking pains to project a defensive and "reasonable" image. They emphasize the restraint shown by Chinese border guards in the face of repeated Indian provocations

and admit larger casualty figures than the Indians. In repeated exchanges about the possibility of border talks this fall, the Chinese left it for the Indians finally to slam the door--in New Delhi's note of 6 October. At the same time, the tone of Peiping's public utterances is aimed at impressing New Delhi with China's determination to resist force with force.

Both sides have now committed their prestige so far that they cannot suspend operations except in the face of severe winter weather. The Indians, moreover, are gradually running out of bluffing room and, despite their logistics difficulties, must move soon to back up their words or they will by default have allowed the establishment of Communist China's presence south of the Indian-claimed northeast border.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****PAKISTANI OPPOSITION UNITING AGAINST AYUB**

The challenge to Pakistani President Ayub's control over his five-month-old constitutional government continues to grow as opposition leaders work to organize a united front against his regime. Since Ayub promulgated the constitution last March, legislative assemblies have been elected and political parties have been legalized. The parties are still prevented from gaining effective power, however.

Former Prime Minister Suhrawardy announced on 4 October that he had secured the qualified support of most of Pakistan's prominent politicians, whom the army ousted from power in 1958, for a new National Democratic Front. It is a loose coalition of parties determined to amend basic provisions of Ayub's constitution as a means of regaining power. They particularly want to reconstitute parliamentary government in place of Ayub's presidential system, and election by direct suffrage rather than by an electoral college composed of local government councils.

The Front is backed by the same elements which have opposed Ayub ever since he instituted martial law in 1958. As restrictions have been progressively relaxed under the new constitution, Suhrawardy and his fellow politicians have been attracting substantial publicity for their views and have shown that they have considerable popular support.

Student unrest has acquired broad antiregime overtones. The opposition is also capitalizing on sentiment in some regions favoring more provincial autonomy rather than the strong central controls provided under the constitution.

Ayub attempted with some success last June and July to deal with the politicians on their own ground, mainly by distributing patronage. This secured for him the support of some East Pakistani politicians and gave the regime majorities in the new national and provincial assemblies.

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The government has suggested that it may begin to enforce rulings of martial law tribunals--rulings technically still in effect--which bar Suhrawardy and many of his colleagues from political activity.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CONGO DEVELOPMENTS**

Congolese Premier Adoula precipitated a new crisis on 17 October by publicly repudiating the cease-fire and the preliminary financial agreements his representatives had signed in Elisabethville. Charging UN and other diplomatic interference, Adoula declared that the central government had unanimously agreed that the agreements were "contrary to the spirit and letter of the UN plan." He said he opposes the cease-fire because it is limited to northern Katanga, and the financial agreements because they recognize that Katanga's financial requirements should be subtracted from the amounts of revenue and foreign exchange to be shared with the central government.

Adoula's precipitous stand, which appears to throw the whole UN reconciliation plan into doubt, stems from the mounting political pressures on him and from his basic distrust of Tshombé. Adoula is convinced that Tshombé, despite the partial step he has taken at Under Secretary McGhee's suggestion, does not in fact intend to implement the UN plan, and that he is only awaiting Adoula's downfall and the collapse of the UN operation in the Congo.

Central government leaders continue to push the idea that the only way to solve the problem of Katanga is for the US to give direct assistance to the Congolese Army. At the 17 October cabinet meeting, there was considerable pressure on Adoula to get the UN out of the country and to seek aid elsewhere. Although Adoula may cool down, the varied pressures on him have put him in a defensive frame of mind and further reduced his maneuverability.

In view of the difficulties arising over the preliminary agreements, there is likely to be great difficulty over the

UN-drafted constitution which Adoula had presented to the provincial presidents on 16 October. Although the UN plan had specifically called for a federal constitution providing for genuine provincial autonomy, the draft as it now stands outlines a highly centralized arrangement and gives the provinces little more authority than under the present Belgian-drafted constitution.

Tshombé has already hinted his disapproval, and he can be expected to demand changes and to halt further implementation of the UN plan. In his talks with Under Secretary McGhee, Tshombé again made it clear that a "truly federal" constitution remained the sine qua non of a "final and lasting agreement."

Tshombé views the steps he has taken to date as interim measures. They include the disputed cease-fire, the deposit of \$2 million to the credit of Leopoldville against future Katangan payments, the opening of the Lubilash bridge and a shipment of copper along the all-Congo route to the port of Matadi, an oath of allegiance by the Katangan military pending an amnesty, and the reopening of telecommunications with Leopoldville. These do not in themselves irrevocably commit him nor do they substantially weaken his financial and military independence. By these moves, however, he probably has effectively undercut any threat of economic sanctions or military action against him.

Besides the constitution, the two other vital features of the plan were the 50-50 split of Katangan revenues and foreign exchange, and integration of the Katangan military forces. Tshombé is presently offering only 25 percent of his mining revenue and 30 percent of his foreign exchange earnings. The military commission has devoted its attention so far to the cease-fire and has yet to discuss integration.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****THE EEC AND AFRICA**

Ministers of the six Common Market countries and of 18 associated African states are meeting in Brussels on 23 and 24 October to resume discussion of an EEC-African association convention. They are attempting to meet the deadline imposed by the expiration this year of the present convention, and a broad area of understanding has already been reached. Nevertheless, several knotty problems remain, and there now are two new ones--what Algeria's relationship with the EEC should be, and the implications of the decision by the African Commonwealth members to reject prospective association with the Common Market.

Since the joint ministerial meeting on this subject in July, the Six have attempted to meet African desires for increased economic assistance. The EEC now is prepared to offer to establish an \$810 million overseas development fund for Africans and others to be used over the next five years both for developmental aid and for assistance in marketing exports and diversifying production. This sum, however, is close to what the associated African states want for themselves alone, while the EEC proposes to earmark some \$70 million of the total for associated non-African dependent territories.

Administration of the aid fund may also raise problems. Proposals that a committee of representatives of the EEC

countries and the EEC Council have review authority over the EEC Commission's decisions respecting the fund are believed contrary to the EEC treaty. The EEC countries are also divided on the most effective way of distributing aid among the African claimants--who themselves will want a voice in the decision. One view is that the Africans should initiate proposals for projects subject to later EEC approval. Another argues that there should be prior EEC-African understanding on objective criteria for such projects. Still a third view would authorize the Commission to distribute aid on the basis of past experience.

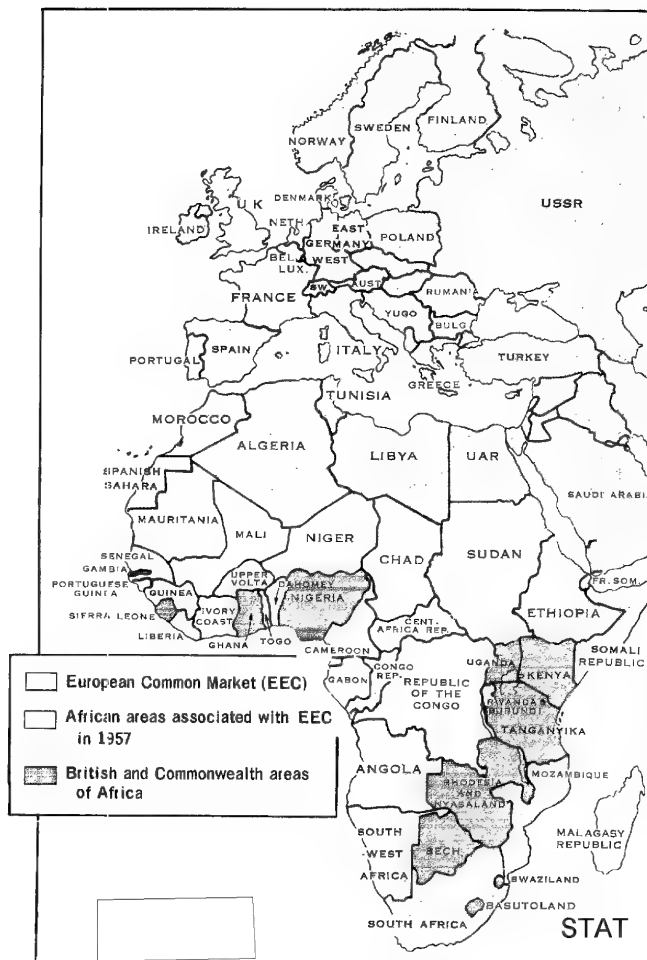
The ministerial meeting may also throw further light on the consequences of the rejection of EEC association by the African members of the Commonwealth. Both the UK and the EEC had believed that such association offered the most promising solution to the commercial and economic problems these countries would face if Britain enters the EEC, and there is still some hope they may reverse their stand. If they do, their strongly nationalist-neutralist sentiments would be a further obstacle to the development of the kind of close institutional ties with the African states the EEC has been hoping for. If they do not and no new formula is found, then much will be heard of the charge that the Common Market is "dividing" Africa.

There are also increasing indications that the thorny

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problem of Algeria's future ties with the EEC may shortly be raised. Since the EEC was set up in 1957, Algeria's status under the treaty has remained unclear. France initially insisted that it be treated as a French department, but subsequently requested and received aid commitments for Algeria's benefit from the EEC's overseas development fund. Since the Evian accord, EEC consideration of the Algerian problem has not gotten beyond the question of whether Algeria now should be in the same category as the 18 other French African states or whether it should apply for associate status in the EEC similar to that of Greece. Algeria needs to retain its traditional market in France, but wants to avoid any implication of bowing to "neo-colonialism" in establishing formal ties with the Common Market. The US Embassy in Algiers has noted signs that Ben Bella is increasingly preoccupied with this dilemma.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ITALIAN POLITICAL SITUATION**

The center-left Fanfani government of Italy has made progress in its program of economic and administrative reform. The three cabinet parties and their parliamentary allies, the Nenni Socialists, hope this will work to their advantage in the parliamentary elections planned for the late spring of 1963. However, several of the major measures promised the Socialists by the Christian Democrats in return for their support have not yet passed both houses of Parliament. Moreover the government parties--Christian Democrats, Social Democrats, and Republicans--are already bickering among themselves in an attempt to bolster their own chances in the elections.

The parliamentary voting patterns show that this government has also made progress toward isolating the Communists. Although the Communists, for political reasons, supported several important measures involving fiscal and administrative reform, the Communist vote was unsolicited and unnecessary for their enactment. On all major measures on which the Communists voted against the government, the Socialists abstained or voted in support. For the first time, the Socialists refrained from joining the Communists in opposing the defense budget, which is increased over last year's. They have announced they will do likewise on the budget for the Interior Ministry, which controls the police.

The long-debated measure for the nationalization of elec-

tric energy--one of the requirements levied by the Socialists for support of Premier Fanfani--passed the Chamber of Deputies by a large majority, and a similar vote is ultimately expected by the Senate. Its supporters predict this by November, but opposition parties, including the Communists and rightists, will seek to delay it until after the elections.

A source of friction between the Socialists and the Christian Democrats is the latter's demand that the Socialists give an explicit public pledge to cooperate with them and not the Communists in forming regional governments. The government's measure to give effect to the constitutional provision authorizing the establishment of regional administrations is not expected to be taken up by Parliament until after the spring elections.

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The Socialists' tendency to disengage from collaboration with the Communists in local governments at the town and city level is already marked. The Socialist Party now governs more Italian citizens in collaboration with the cabinet parties than it does with the Communists.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****PORTUGAL AND THE UN**

In the forthcoming UN General Assembly debate on Angola, Portugal's African policy apparently faces the most bitter attack yet by the Afro-Asian bloc. If the Portuguese do not receive from their NATO allies the support to which they feel entitled, Lisbon may again consider withdrawing from the world organization.

Portugal's current difficulties in the UN stem in large part from its unwillingness to accept publicly the principle of self-determination for its overseas territories.

At a meeting of the North Atlantic Council (NAC) on 28 September, the majority of the NATO countries stressed the importance of the principle of self-determination and their difficulty in acceding to Portugal's request for support in the UN unless Lisbon is willing to recognize this principle. A high official in the Portuguese Foreign Ministry told the Council, however, that Portugal could not accept the principle of self-determination as defined by the majority of UN members, or even indicate some movement toward this principle. To do so, he said, would begin a slide toward the loss of all of Portugal's overseas territories, since to the Afro-Asians, self-determination means complete independence.

The same official told the NAC on 10 October that Lisbon

could not even accept public comments by its NATO allies that Portuguese reforms in Angola are leading to self-determination, since this would necessitate Portuguese reaction to such statements. The official was obviously shaken by the forceful way in which the NAC members disagreed with his country's African policy and by the refusal of the majority to promise the support in UN debate he had requested for Lisbon's position.

As a gesture of concession the Portuguese have prepared the text of what they consider an acceptable resolution regarding the appointment of a UN rapporteur to investigate conditions in their African territories. Their version, however, does not meet even moderate Afro-Asian demands.

Lisbon's stand will further stimulate an Afro-Asian campaign for diplomatic and economic sanctions against Portugal and perhaps gain more support for the Brazzaville group's proposal that Lisbon be expelled from the UN. Sanctions are legally within the purview of the Security Council, not the General Assembly, but pressure for such measures will increase if the Afro-Asians are successful in their current effort to obtain a consensus favoring sanctions against South Africa.

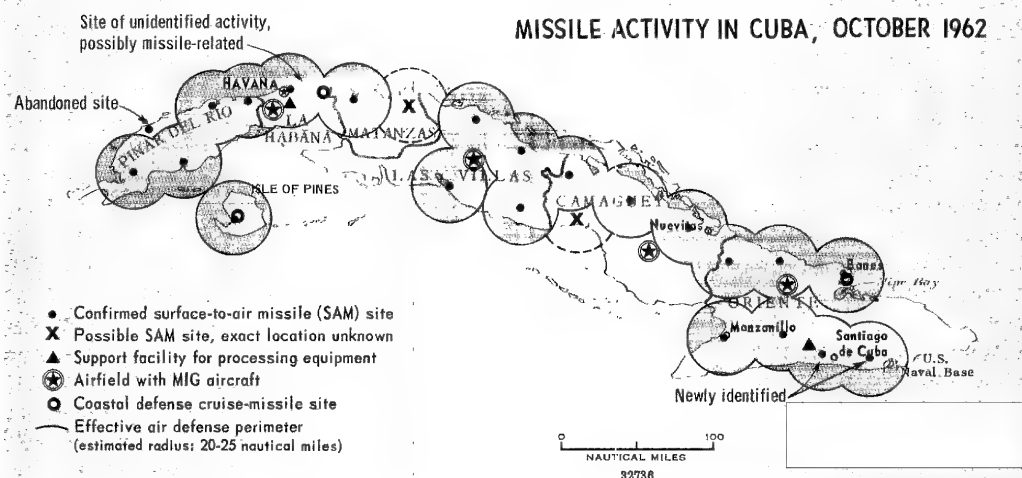
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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CUBAN DEVELOPMENTS**

Soviet military shipments to Cuba are continuing.

are being trained to operate other equipment from the USSR.



Two additional SA-2 surface-to-air missile (SAM) sites have been installed in Oriente Province, one of them within range of the US naval base at Guantanamo Bay. In addition, a SAM support area similar to the one previously identified near Havana has been noted near Santiago de Cuba in Oriente.

A previously identified SAM site in Pinar del Rio Province has apparently been abandoned and the equipment moved to an unknown location. Thus, 21 confirmed SAM installations have been identified.

At least seven of the twelve SAM sites noted in information of 15 October are completed to the point where missiles are on the launchers. Some of them are probably operational,

There is still no evidence that Cubans are being trained in the operation of the surface-to-air and coastal defense missile installations being set up in Cuba, but Cubans

The USSR continues to show concern over US action to interdict Soviet shipments to Cuba. In a note of 14 October, Moscow charged the United States with condoning "unlawful actions" by Puerto Rican judicial authorities who had impounded a cargo of Cuban sugar bound for the USSR. The note--the second on this subject--rejected the US Government's position that the matter was a legal one in which it could not interfere.

A lecturer in international law at the Moscow Institute of International Relations asserted that the "US economic boycott of Cuba amounts to lawless violence. Modern international law and the UN Charter categorically forbid a resort to force (armed force or economic pressure) in international relations, except with a view to combating aggression." A limitation of the rights of third powers to engage in free international commerce and shipping, he said, is "a grave violation of international law. It could entail restrictive measures and, if armed force were used, it might precipitate an open armed conflict."

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CONFERENCE ON BRITISH GUIANA'S INDEPENDENCE**

The conference on independence for British Guiana--originally set for last May but postponed because of the February riots--is to open in London on 23 October. Britain is not likely to set an independence date until some agreement is reached on the electoral provisions of the colony's future constitution. Premier Jagan's Communist-oriented People's Progressive Party (PPP) and the main opposition party, Forbes Burnham's People's National Congress (PNC), give the appearance of being sharply at odds on this issue, and the conference may reach an early deadlock. Should it break down, new outbreaks of violence may follow.

The dispute centers on the question of proportional representation and the age requirements for voting. Jagan's party draws its support mainly from East Indians, who are already the largest single element in the population and have the highest birth rate. Jagan insists on retaining the present system of election by plurality and wants to lower the voting age to 18 years. Burnham's predominantly Negro PNC, supported by the ultraconservative United Force (UF) and by those PPP elements disillusioned with Jagan, are pressing for the introduction of a proportional representation system and retention of a legal voting age of 21.

In the last election in August 1961, Jagan's PPP won a plurality of only 1.7 percent over Burnham, but received nearly twice as many seats in the Assembly--20 for the PPP, 11 for the PNC, and 4 for the UF.

the results under a proportional representation system would have been approximately 15-14-6, and about the same general distribution might occur in a new election using this system even if other minor parties participated or the voting age were lowered to 18.

The British governor told US officials last week that all three political parties were apparently going into the conference "pathetically unprepared" for serious negotiations. He believes that the PNC and UF might even welcome a failure--which Jagan, with more to lose, would try to prevent. However, the governor did not rule out the possibility of some Jagan-Burnham deal. He also suggested that a deadlock might lead Jagan to resign and call new elections which, under the present system, would probably strengthen the PPP position.

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Even if proportional representation is adopted, however, serious differences within the opposition groups would make it difficult for them to provide an effective check on Jagan whether or not they increase their parliamentary contingent. Failure to cooperate in the last election is still plaguing the PNC and the UF. Both B. S. Rai, a former PPP cabinet minister who was ousted by Jagan last June, and Legislative Assembly speaker Gajraj, who has become increasingly disenchanted with Jagan, appear to be awaiting developments at the London conference before committing themselves to any course of action, although the latter has said he would form his own Moslem party if a proportional system is adopted. None of the potential centers of real opposition to Jagan appears to have made any significant progress recently, despite the economic and other difficulties which plague the government.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ELECTIONS IN ARGENTINA SET FOR NEXT SPRING**

Interior Minister Rodolfo Martinez announced on 16 October that elections will be held in Argentina some time between March and June 1963--the exact date will be announced within four weeks--and that the new president will be installed not later than 12 October 1963. The system of proportional representation announced by President Guido last July will be followed; the present political parties statute will be replaced; all sectors of public opinion will be allowed to participate in the elections provided they have a democratic leadership; and the government will not interfere in the internal affairs of political parties.

This announcement will probably cause concern among the military as a whole. The "legalists" are in control of the military at the present time and have minimized the possibility of an immediate resumption of the power struggle by completely reorganizing the three services and arresting or retiring "hard-line" leaders.

Therefore, the basic problem confronting the Guido government is that of reintegrating Peronists into the body politic without allowing them to become the decisive factor in the elections. Argentina's political parties will probably not be able to agree on a compromise candidate, and some will therefore attempt to win Peronist support for their candidate as they have done in the past.

The government has not yet found a solution for this problem. Methods are under study to obtain the Spanish Government's cooperation in quarantining Peron to make it difficult for his followers to receive directives. Another proposal is to elicit a directive from Peron himself where by Peronist political objectives would be limited in exchange for congressional representation.

Former president Arturo Frondizi's influence is becoming increasingly evident in the present political situation. Both Interior Minister Martinez and Foreign Minister Muniz were nominated by Frondizi.

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Economics Minister Alsogaray, Martinez, and Muniz, are the most powerful and influential members of the Guido cabinet. Alsogaray, however, may be forced to resign in the near future. He is under increasing public attack by a variety of political elements who blame him for the continuing economic crisis. The resignations on 10 October of the vice president and a director of the central bank in protest against Alsogaray's performance were the latest in a series of developments deliberately aimed at discrediting him. The former defense and interior ministers have publicly charged him with corruption. Similar attacks have been made by Peronist labor elements as well as influential business leaders. Alsogaray will probably be able to persuade President Guido to keep him in office at least until the end of October to permit him to attend the 22 October meeting of Latin American economic ministers.

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WEEKLY REVIEW

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****THE BRAZILIAN ELECTIONS**

Partial returns from the elections of 7 October indicate that extreme leftists have made slight gains while the majority of positions in congress and in the states remain in the hands of moderates and conservatives. Returns are almost complete for the gubernatorial races in southern Brazil, but are still fragmentary for other contests.

In Sao Paulo machine politician Adhemar de Barros, whose campaign emphasized his anti-Communist position, won by a sizable margin over erratic former President Janio Quadros. Moderate Bonifacio Nogueira, protégé of the capable incumbent, trailed badly. The outcome tends to strengthen moderate former President Kubitschek, who openly supported Adhemar. Leftist President Goulart tended to support Nogueira but was primarily interested in the defeat of Quadros, whose rivalry he feared.

In Goulart's home state of Rio Grande do Sul, conservative Ildo Meneghetti won by a small margin over Goulart's candidate. The election reflects opposition to Goulart's ultranationalist brother-in-law, outgoing Governor Leonel Brizola.

Goulart's major victory thus far in the elections is in Guanabara. There, supporters of Goulart outvoted those of his bitter enemy, incumbent Governor Carlos Lacerda, in the races for the vice governorship and for a Senate seat which most Brazilian observers had conceded to moderate outgoing Bahia Governor Magalhaes. In Brazil candidates are not bound by state residence requirements. In addition, the number of pro-Goulart federal deputies increased from one third to one half of Guanabara's delegation. Leonel Brizola, who seeks national leadership of leftist nationalist forces, won a deputy's seat by an unusually large margin of votes. Communist Party central committee member Marco Antonio Coelho will also be a member of the delegation.

Fellow-traveler Badger Silveira, who won the governorship of neighboring Rio de Janeiro State, is a member of Goulart's Labor Party and would support leftist moves by the federal administration.

In the key northeastern state of Pernambuco, conserva-



tive Cleophas is leading pro-Communist Arraes but voting trends indicate that either candidate could win by a small margin. In the event of a recount, the victor would probably not be known for months.

In the Senate elections, the winners of 39 of the 45 seats at stake now are known. Of these, 29 are centrists or conservatives, two are reactionaries, two are Communist fellow-travelers, and two are leftist ultranationalists. Others cannot be readily classified, including, for example, millionaire industrialist Ermirio de Moraes, who helped finance the pro-Communist gubernatorial candidate in Pernambuco. The outgoing senators included only one leftist ultranationalist and no Communists or fellow-travelers.

Returns in federal deputy races are not yet available for most states.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****VENEZUELAN GOVERNMENT PLANS TO OUTLAW COMMUNIST PARTY**

President Betancourt on 15 October announced the government's plan to arrest extremist congressmen and eliminate leftist groups responsible for the persistent terrorism in Venezuela. Betancourt stated that the minister of justice had petitioned the Supreme Court to outlaw the Communist Party and the Movement of the Revolutionary Left (MIR), and that Communist and MIR congressmen would be prosecuted for "civil rebellion." He identified the terrorists as "agents of Khrushchev and Castro."

Betancourt is determined to eliminate the leftist terrorism in order to avert a possible military takeover and to restore order before the 1963 presidential campaign intensifies. He has been under heavy pressure from the military to take drastic action against the extremist leaders. Although the Social Christian Party (COPEI) has threatened to leave the government coalition if unconstitutional measures are used, Betancourt has indicated that he will carry out his plans even at the risk of causing a split in the coalition. The Social Christian members of the cabinet apparently have assented to the plan, indicating a possible shift in COPEI's attitude.

More than 400 terrorists reportedly have been arrested, but the Communist and MIR congressmen identified as leaders of the terroristic activity have been protected from prosecution by their congressional immunity. The opposition-

controlled Chamber of Deputies has persistently rejected administration requests to suspend the immunity of any members of congress.

The US Embassy reported that initial public reaction to the announced plan was "lukewarm." The armed forces and the major labor confederation are expected to support the government, but opposition groups will probably attempt to obstruct execution of the plan. The dissident ARS faction of Betancourt's Democratic Action Party protested that the plan is largely a subterfuge to regain control of the Chamber of Deputies. The opposition Democratic Republican Union is also expected to condemn the proposals.

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The US Embassy reports that Supreme Court delays may postpone further government action for several weeks or longer. The government is expected to remain in control of the situation, but if significant violence erupts before action is taken against the extremist congressmen, the military may renew its demands for immediate measures.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**WEEKLY REVIEW**THE KHRUSHCHEV SUCCESSION**

At age 68 Khrushchev is still in generally good health, but advancing years and the rigors of high office have begun to slow him down. The time may not be far distant when death or physical incapacitation removes him from the political scene. Almost inevitably direction of the nation's affairs will then be assumed by an interregnum "collective leadership" composed of the remaining members of the party presidium and secretariat. The Soviet system contains no built-in machinery for ensuring the orderly transfer of power; when the top leader goes, a power vacuum is created, and collectivity provides the facade of unity behind which the fight for the post of party first secretary is waged.

Like Lenin and Stalin, Khrushchev has made no attempt to devise a permanent solution to the succession problem; he has merely designated his favorite in advance. As early as 1959

he revealed that he and Mikoyan had decided upon Frol Kozlov, now 54, as the man who would eventually succeed to power. Kozlov's status as heir apparent was first publicly acknowledged in the USSR last October; in the official listing of the party secretariat elected following the 22nd party congress, his name appeared second to that of Khrushchev and out of the customary alphabetical order, thus formalizing his position as second-in-command. What little is known about Kozlov suggests that he would adhere essentially to the Khrushchev line, but probably with increased emphasis on control rather than incentive.

Kozlov's designation as heir comes with no guarantees,

however. It is not binding on his peers, and Khrushchev can always change his mind. More important, among the shrewd and ambitious men who make the inner circle of leaders, there is bound to be at least one who regards himself as better qualified and with a better chance of winning. Once another hat is tossed into the ring, the power struggle is on.

Emergence of the New Leader

Ultimately, the victory will go to that member of the hierarchy who succeeds in establishing personal domination over the Communist Party, the single cohesive political force in Soviet society. It tolerates no rivals, and no organization or group of any kind is permitted to exist outside its control. Thus, he who runs the party runs the country, without constitutional or other legal restraints.

However, since no single member of Khrushchev's coterie appears politically strong enough to step immediately into the dictator's shoes, the new leader must establish a position of pre-eminence among his colleagues in the presidium and secretariat, and he must circumscribe and then reduce the influence of possible rivals in those bodies. In the process, it will not suffice for him to argue his own merits and to espouse policy positions to which his associates can accommodate. Very few of them can be expected to pledge their support without some kind of commitment in return.

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Gaining the support of the members of the secretariat will be particularly important. Through the staff departments of the central committee, they control personnel appointments at all levels of the party and

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government. From the outset, the future dictator must seek to secure as many key positions as possible for members of his personal following and to see to it that no posts of consequence fall to his opponents.

Heads of other elements in the power structure will also have to be won over. For example, bearing in mind that the Soviet military high command sided with Khrushchev in his 1955 polemic with Malenkov--the advocate of increased consumers' goods production--the new leader will seek the support particularly of those marshals who are central committee members. In order to ensure that they do not become disenchanted and side with his opponents, he will be likely to advocate a strong military establishment and the high budgetary appropriations involved.

At the same time, he will identify himself with a high living standard and will give vague promises of improvements in the welfare of the consumer. While he gives public indications of his intent to continue the "liberalization" begun under Khrushchev, he may be privately assuring the secret police that there will be no inroads on their powers and prerogatives.

Once he has engineered his "election" as party first secretary, the emergent new leader begins the task of transforming his leadership of the coalition into leadership of the Soviet Union.

For the most part he will accomplish the job by continuing to exercise leadership in the presidium. In the period immediately following his election as first secretary, he must consistently win a majority of that body to his point of view on policy positions.

Success in the presidium would increasingly establish his authority in the lower party echelons. With the passage of time, the working level would, by and large, accept the fact of his predominance and fall into line behind him.

Role of Central Committee

The central committee normally has no life of its own except at its periodic plenary sessions, and these are usually devoted to speeches approving decisions made in advance by the top leaders. However, by basing his authority largely on control of a majority in the central committee and by using that control to defeat his opponents in 1957, Khrushchev in effect institutionalized the central committee as one of the principal bases of political strength. Its very real potential for intervening in power struggles makes it imperative that the would-be dictator build up support among its members as soon as possible.

To judge from the composition of the central party bodies elected by the 22nd congress, however, Khrushchev's lieutenants have had little success in maneuvering their allies into key slots. Very few of those elected for the first time have discernible ties to any of the current leaders. The only change was an increase in the number of members associated with the Leningrad party organization, which Kozlov headed for several years. Presumably these are men upon whom he can draw for support, but their number--along with the old Leningraders in the central committee--it still too small to give him a decisive advantage.

Kozlov clearly cannot now take steps toward achieving domination of the party without a green light from Khrushchev. The latter, who once boasted that he would run

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the party as long as he lived, shows no signs of allowing Kozlov to start building a personal political machine. Indeed the only top-level personnel shift since the congress apparently worked to Kozlov's disadvantage; the reasons for the removal of Ivan Spiridonov both from the central party secretariat and as Lenin-grad party boss last April have never become clear, but intentionally or not, his downfall very likely cost Kozlov a well-placed ally. The effect of the move--if any--on Kozlov's status as successor-designate is still not known but it must certainly have forced him to take a hard look at those presidium members who--both individually and as a body--will play vital roles in the succession. He must gauge their willingness to accept his claim on the first secretaryship, seek their support, and at the same time identify and assess the strength of those who might contend against him.

Kozlov's Peers

In all probability the four senior members of the hierarchy--Mikoyan, Brezhnev, Suslov, and Kosygin--will be the major voices in determining who steps into Khrushchev's shoes.

If past performance is any indication, First Deputy Premier Anastas Mikoyan will be primarily concerned with maintaining his present position in the hierarchy. Both his Armenian nationality and his age--he is 66--argue against an attempt to grab the top job. His activities will nevertheless bear close watching. He has survived nearly 30 years of purges and other crises in the leadership largely because of his ability to perceive the realities of Kremlin politics--as he did by lining up with Khrushchev against the anti-party group. Thus,

any sign of a change in his attitude toward Kozlov would suggest that his political intuition is again at work, and could foreshadow a fight in which the advantage has shifted away from the successor-designate.

Brezhnev, the Soviet "president," must be considered a potential candidate for the top job. Since 1938, he has been a regional party secretary in the Ukraine, high-ranking army political officer, party boss of Moldavia and Kazakhstan, chief of the navy's political directorate, and central party secretary for industrial, transport, military, and police affairs. This experience has very likely left him a long line of well-placed friends from whom he could ask political favors.

As a presidium member, Brezhnev has a direct voice in the formulation of Soviet policy, but his "election" as titular chief of state in May 1960--to replace Voroshilov--deprived him of the vantage point he enjoyed as a central committee secretary. The Soviet presidency is basically a sinecure and has traditionally proved a poor political springboard. In contrast to his predecessor, however, Brezhnev has brought some authority to the job and has used it mainly as a vehicle for expounding Moscow's foreign policy line.

Contrary to frequent press speculation, there is little evidence to suggest that Mikhail Suslov is now or could become the rallying point for a "Stalinist" faction. A central party secretary since 1947--longer than Khrushchev himself--he has been concerned primarily with ideology and relations with foreign Communist parties. Since Stalin's death and particularly since the 20th party congress, he has concentrated on building a framework of Marxist-Leninist respectability around Khrushchev's

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KOSYGIN



KOZLOV



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BREZHNEV



SUSLOV

policies, and he sided with Khrushchev against the anti-party (and pro-Stalin) group.

To judge from his past performance Suslov does not measure up as a Stalinist die-hard; on the other hand, he is not a simon-pure Khrushchev man, and on occasion the two may have disagreed over various aspects of Soviet policy. The future leader will very likely expect of Suslov the same service he now renders as doctrinal apologist for the regime. Like Mikoyan, Suslov has never evinced a desire for more power, and because he deals in political intangibles, he has not had these opportunities to cultivate a

personal following normally available to a central committee secretary.

Of the senior presidium members, only First Deputy Premier Aleksey Kosygin would appear to have no chance of becoming party first secretary, but he is likely to occupy a high position in any post-Khrushchev administration. Kosygin is perhaps the top member of the Soviet managerial elite, and with the exception of the two years immediately after Stalin's death, has been a deputy premier continuously since 1940. He has never held a full-time job in the party's apparatus, having come up through the administrative

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and planning departments of the economic bureaucracy. Since it is doubtful that Khrushchev's successor will be strong enough, at least in the early days, to take on both the party first secretaryship and the premiership, Kosygin might become head of the government when Khrushchev leaves the scene.

The Younger Leaders

There is always the possibility that a dark horse could emerge. Their brevity of service at the top would seem to militate against a power bid by Dmitry Polyansky, Gennady Voronov, or Andrey Kirilenko, the three newest members of the presidium. Yet each of them has considerable influence and prestige in his own right, and during the course of a prolonged succession crisis, one of them might be able to maneuver himself into a commanding power position.

Of the four central committee secretaries who are not presidium members, Aleksandr Shelepin would seem best able to rise to the top. His long service as head of the Komsomol--the young Communist league--may have given him considerable influence among the younger party generation. However, perhaps to his disadvantage, he is tainted by past association with the Soviet secret police (KGB) which he headed from 1958 to 1961.

Shelepin's current duties apparently involve party supervision of the police and judicial apparatus as well as some responsibilities for industry, and his support will thus be invaluable to those who do contend. The future leader will need control of the KGB not only because of its coercive power, but also because of its unique ability to keep him informed of what is going on in the party, and particularly among possible rivals.

KHRUSHCHEV'S COLLEAGUES

STAT

		AGE	AREA OF RESPONSIBILITY	
Presidium Members	KOZLOV	54	Party 2nd Secretary	The Successor-designate
	BREZHNEV	56	"President of the USSR"	Senior Presidium members
	KOSYGIN	58	1st Deputy Premier	
	MIKOYAN	66	1st Deputy Premier	
	SUSLOV	59	Party Secretary	
	PODGORNY	59	Ukrainian Party Boss	Influence limited by permanent resident in Kiev
	KIRILENKO	56	1st Deputy Chairman RSFSR Bureau	Relative newcomers to the top leadership
	POLYANSKY	44	RSFSR Premier	
	VORONOV	51	1st Deputy Chairman RSFSR Bureau	
	KUUSINEN	81	Party Secretary	"Old Bolsheviks", each nearing end of career
	SHVERNIK	74	Chairman, Party Control Committee	
Party Secretaries (Not Presidium Members)	DEMICHEV	50	Moscow City Party Chief	Junior leaders, possibly grooming to replace senior men. (areas of responsibility obviously incomplete).
	ILICHEV	56	Agitation & Propaganda	
	PONOMAREV	57	Relations with Foreign Parties	
	SHELEPIN	44	Food Industry; Police & Legal Affairs	

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Shelepin and the other non-presidium secretaries may have been selected with one aspect of the succession problem in mind. The exact division of responsibilities in the secretariat has never become clear, but there is information to suggest that the new members are being groomed to replace some of the senior secretaries.

Leonid Ilichev and Boris Ponomarev are concerned with propaganda and agitation, ideology, and relations with foreign parties--fields in which Suslov and Kuusinen are primarily interested. Their apprenticeships would presumably ensure that, when the time comes, Suslov's or Kuusinen's duties could be passed to experienced understudies without any break in the continuity of party policies or methods of operation in these fields.

Similarly, the appointment last year of Zinovy Serdyuk as first deputy chief of the party control committee could signify that Shvernik's job is to be taken over by another of Khrushchev's old Ukrainian associates.

Such moves are perhaps indicative of a nagging concern over the future; they certainly appear to be an initial attempt to staff the next administration in advance and thereby help ensure continuation of Khrushchev's policies. But they fall short of solving the basic problem of the orderly transfer of the dictator's powers, and Khrushchev has proved unwilling or unable to make any arrangements which guarantee that his

authority will carry over to his chosen successor.

Conclusions

On balance, Khrushchev has evidently undertaken to see that his policies will be carried forward by staffing the top leadership with men who are in general agreement with his way of running the country. With the future--and Khrushchev's personal niche in history--thus probably regarded as partially provided for, the identity of the new first secretary loses some of its importance. Under these circumstances Khrushchev probably sees no compelling need to determine in advance the outcome of the power struggle which, it seems, must surely come.

This struggle, unlike the Stalin succession with its cleavages over basic policies, seems likely to center on personalities and methods of operation. There seems little likelihood of any radical alteration of present policies and programs. The probable composition of the new leadership itself would, for example, seem to argue for this conclusion.

In addition, the bulk of the party's professional apparatus is similarly composed of Khrushchev men. From conviction and an instinct for self-preservation, they would probably throw their support to whoever seems most likely to continue along the Khrushchev line.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****LAND REFORM IN IRAN**

The Iranian Government is pressing forward with an ambitious new land reform program which aims at the ultimate transformation of the country's rural population into a society of small landholders. Initiated last March, it involves the redistribution of large private holdings to the tenants. The government hopes that providing peasants with the incentive of ownership will increase agricultural productivity. Success would also alleviate peasant discontent which might eventually pose a threat to the Shah's regime.

Background

About four out of every five Iranians now depend on agriculture for their livelihood. Unless some of this wasted manpower can be shifted to more productive activity, prospects are poor for raising Iran's economy above a near-subsistence level.

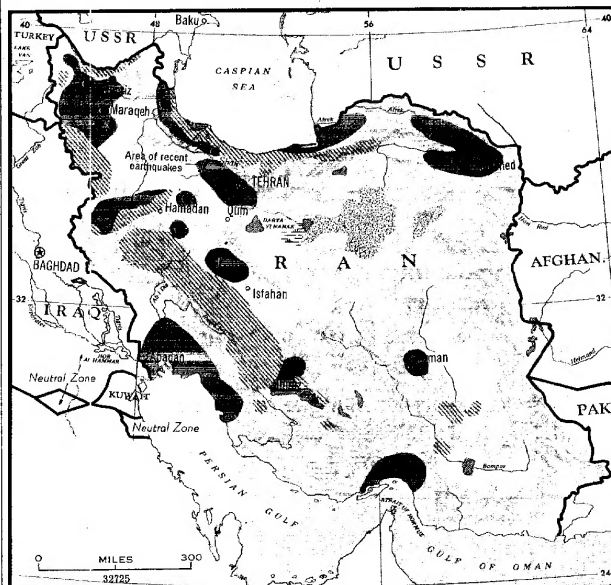
Iran's small amount of arable land has never been effectively used. Only about one-tenth of its area is considered arable, and less than half of that is under cultivation at any one time. Most land already under cultivation requires irrigation, and much more could be brought under cultivation if irrigated. Cereals, the staple of the Iranian diet, are the most important crop; fruits, nuts, and cotton are the principal export crops.

The village has traditionally been the basic production unit. Of Iran's 50,000 villages, some 17,000 are owned by individuals--10,000 by persons who own more than five apiece. A few landlords own from 50 to 100 villages. The yearly income of the peasants tilling these lands averages the equivalent of about \$150, in goods and credits.

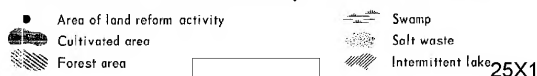
Most peasants work the same plot throughout their lifetime. In the more fertile regions a peasant is assigned a parcel he can till with a fixed number of draft animals. Elsewhere the availability of water governs the allocations. Some landlords reassign land periodically, thus further reducing the peasant's sense of responsibility toward it. In addition to these parcels, the "village" includes any pasture or woodland used in common.

Sharecropping Practices

In most instances the peasant gives the landlord an agreed share of the crop. This share ranges from one fifth to four fifths, generally depending on whether the peasant furnishes water, seed, or draft animals in addition to his own labor. With little incentive to increase



Areas of Land Reform Activity - 15 October 1962



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output, per capita productivity is low, and wasteful practices prevail.

The village's work force--its entire able-bodied population--is fully employed only at sowing and harvesting time. The ready availability of labor during most of the year discourages the introduction of expensive machinery or other new techniques even though they could increase yields and bring new land into production. In some parts of the country the growing season is long enough to permit two crops a year if modern methods were used.

The Reform Program

The Shah's awareness of the economic, social, and political need for land reform caused him to set an example to landlords by redistributing most of his own vast private holdings beginning in 1952. Land was sold to the peasants for interest-free payments extending over a 25-year period. Funds accrue to the royal family's Pahlavi Foundation, which undertakes social welfare and charitable projects.

The government's revolutionary land redistribution program is based on decrees enacted in 1961 to modify an emasculated Land Reform Act the Majlis had passed the previous year. The reform-minded government of Ali Amini initiated the program in the Maragheh administrative district in the northwest--chosen apparently because it is relatively prosperous and not dependent on any single crop. The area's Turkish-speaking population is politically stable and more accustomed than Iranian peasants to communal efforts. The program now is being extended to other areas.

The program allows the owner to retain one village

or, by holding parcels in several, to retain the equivalent of one village. The parcels are based on the traditional management unit, the "dang," which is one sixth of the village's cultivated land. One landlord may therefore have holdings in as many as six villages. In Maragheh, however, relatively few landlords took advantage of their right to retain any land at all, evidently feeling that six "dangs," however distributed, would not constitute an efficient farming unit.

The government requires the landlord to submit a "voluntary offer," based on their assessed valuation, for selling his declared lands--thus at least nominally observing Islam's prohibition against forced sales. The landlord may appeal for additional compensation. The government will pay for the land in ten annual installments, and the new peasant owners have 15 years to pay off their notes to the government.

Organization

The government has helped to establish a cooperative for every ten villages, in which membership is mandatory for peasants acquiring land under this program. The cooperatives assist in marketing the crop and provide seedlings, fertilizer, the services of tractors, simple hand tools, and staple items such as tea and cigarettes. The agricultural bank extends credits for projects beyond the cooperative's resources.

To help ensure the success of the pilot project, the regime set up the Maragheh Development Authority to coordinate the cooperatives' efforts and to carry out some projects outside their capabilities. When in full operation, the Authority

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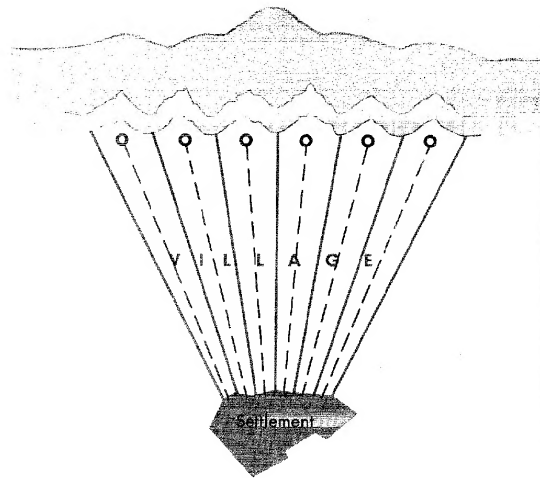
will provide extension-type services and will construct irrigation projects, storage facilities, and tool repair shops. It could resort to coercive measures if necessary to ensure that peasants use approved farming methods. The Authority will probably provide a model for other areas when the program is implemented.

Outlook

Favored by excellent weather this year, the Maraqeh cooperatives appear to have started off well. The Shah has staked his own prestige on the program's success--a commitment reaffirmed after the Amini government resigned in July and that of Asadollah Alam took over. The Shah has specifically backed the figure mainly responsible for implementing the program, Agriculture Minister Arsanjani, a holdover from the Amini government. The land reform program appears to have gone too far to be easily reversed, although so far it has affected fewer than one percent of the country's villages.

There is a danger that the vital centuries-old local irrigation systems will fall into disrepair once the landlords' managerial skill is removed. During the first two Seven-Year Plans, completed last month, the government invested heavily in large-scale river basin irrigation projects. Tehran apparently is sharply cutting back such investment in the third plan just getting under way, in favor of greater attention to the smaller scale local irrigation works.

Greatest opposition to the land reform program continues to come from the large landowners, who lose both extensive properties and the power which stemmed from their socio-economic position. They still have considerable influence and may be expected to seek



32728 Schematic diagram of land use in a typical Iranian village.

means of sabotaging the program. They are especially hostile to Arsanjani for his vigor in pressing it. They describe him as a leftist demagogue seeking personal political power.

The impatience of peasants not yet brought into the program may also upset its orderly implementation. In August, peasants in an area of northwestern Iran not yet affected held back produce due the landlords, who called on gendarmerie to enforce the collection. Clashes occurred.

Arsanjani, by pushing the program vigorously, may have encouraged the peasants' actions,

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Should the withholding of produce by peasants become general, government action to collect it could cause severe disturbances and a slowing up of the program.

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